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THE AGRICULTURAL OUTLOOK FOR CANADA 1953.

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CANADA

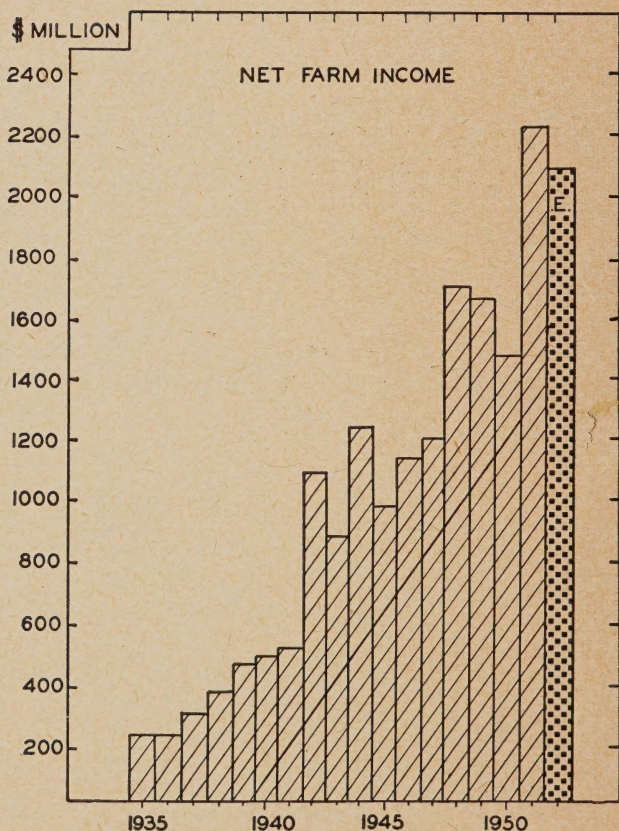
DEPARTMENT OF AGRICULTURE

THE RT. HON. JAMES G. GARDINER, MINISTER

THE AGRICULTURAL OUTLOOK FOR CANADA, 1953

The annual Federal-Provincial Agricultural Conference was held in Ottawa on December 1 and 2, 1952. Representatives of Federal and Provincial Departments of Agriculture, together with delegates from the Canadian Federation of Agriculture, discussed and appraised the agricultural situation of 1952 and the outlook for 1953. Some of the highlights of the outlook for 1953 are presented in this folder as an aid to farmers in planning their operations for next year.

NET FARM INCOME IN CANADA 1935 to 1952



Net farm income reached record levels in 1951 and 1952. Prospects are for a continued high level in 1953 although somewhat below that of 1952.

GENERAL OUTLOOK FOR 1953

World production in 1953 is likely to be somewhat higher than during the past year, largely because of the extension of the period through which defence production will be undertaken and the recovery in sales and output of consumer goods. Rearmament production will continue to have an important influence on economic conditions and world employment and income will remain buoyant for some time to come.

The volume of **world trade** in 1953 may continue at near 1952 levels. Although balance of payments difficulties caused some restriction of imports from the dollar to the sterling area in 1952, the overall impact on world trade was relatively light. Declines in prices of many basic commodities from the inflated post-Korean levels, further liberalization of trade among European countries, and generally high levels of employment and wages in many countries should result in a strong international market for basic commodities. However, trade in some products may be affected by a shortage of dollar exchange. As a result, the United States will again be the most important single foreign market for Canadian farm products in 1953. High levels of employment and incomes, together with the removal of restrictions to trade in livestock and meat, should result in some increase from last year in exports to that country. Exports to other countries, although usually smaller than to the United States, are much less certain.

Domestic demand in Canada will also be strong with both employment and incomes slightly above those of last year. The generally prosperous economic conditions which prevailed in 1952 are expected to continue in 1953 although there will be individual fields which are less prosperous. Agricultural output will be down from the record levels of last year if only average grain yields are obtained. Non-agricultural output, however, may increase moderately because resource development, defence production, and capital expenditure are likely to be at or above 1952 levels.

Farm income for Canada as a whole in 1953 may be less than in 1952. Some easing of livestock prices is anticipated and even though marketings

may increase, total returns from the sale of livestock may not be so high as in 1952. If only average yields of grain are obtained in 1953, returns from the sale of this smaller crop will be less than in 1952. Total farm operating costs are not expected to change significantly during the coming year.

FARM LABOUR AND SUPPLIES

The farm labour situation is expected to be at least as tight in 1953 as it was in 1952. It will be necessary therefore to make the most efficient use of existing domestic supplies of labour, supplemented by immigration.

With most farm supplies becoming more plentiful, prices in general are not expected to increase in 1953. Prices of pesticides may be slightly lower. Little change is expected in prices of farm machinery and fertilizers.

GRAINS AND FEEDS

Although world production of wheat in 1952-53 is forecast at record levels, import requirements remain high and a strong market is in prospect.

If current estimates are realized, Canada will have some 740 million bushels of wheat available for export and carryover. Large quantities will be exported in addition to the International Wheat Agreement quota of 235 million bushels. The main factor limiting exports this year is transportation and handling facilities.

Supplies of feed grains are at record levels this year. As in the case of wheat, transportation and handling facilities rather than lack of markets may be the main limiting factor in both the export and domestic movement of coarse grains. Prices of oats and barley will likely hold relatively firm at least until the opening of lake navigation in the spring of 1953.

LIVESTOCK

Increased marketings of livestock and a further easing of prices in the United States during 1953 will probably be reflected in a decline of Canadian

prices from the levels of this past year. This decline is likely to be more pronounced in the case of prices for cattle and calves than for hogs. The least change will probably occur in the prices of sheep and lambs.

Marketings of hogs will probably continue at recent high levels through the first half of 1953 with the total volume for the marketing year, October 1, 1952 to September 30, 1953, about the same as for the preceding marketing year. Marketings of other classes of livestock during the 1952-53 marketing year are likely to be somewhat higher than in 1951-52.

A continuing high level of consumers' incomes during the next year and lower prices for meat should encourage a higher total consumption of meat. Since the decline in beef prices may be greater than the decline in pork prices, it is likely that the domestic consumption of beef will increase more than that of pork. Small increases in the domestic consumption of lamb and veal will probably result from an easing of prices of these meats.

DAIRY PRODUCTS

Milk production in 1953 may rise to about 17 billion pounds, only a slight increase over the 1952 output. During the year more milk will be used as fluid milk and ice cream, mainly as a result of a larger population. Production of butter, cheese and concentrated products may increase slightly in 1953 but relative changes in output of these products will be influenced strongly by the condition of export markets. Foreign demand for concentrated milk products will probably be at least as strong in 1953 as it was in 1952. Domestic demand for all dairy products in 1953 will be as strong as, or slightly stronger than it was in 1952. There is not likely to be any material change in the overall price position for dairy products during 1953.

EGGS AND POULTRY

Fewer laying hens, lower egg production and somewhat higher egg prices are expected during the first half of 1953. Marketings of farm chicken in 1953 are likely to be about the same as in 1952

but broiler production may increase slightly. Prices for poultry meat will probably remain close to the 1952 level.

The lower turkey prices which have prevailed throughout the 1952 marketing season will probably result in some reduction in production in 1953.

Prices for eggs during the fall of 1953 are not likely to be much different from those of the fall of 1952.

FRUITS AND VEGETABLES

The 1952 apple crop is estimated at 11.8 million bushels and is somewhat less than last year's crop. The decline in production is mainly in Ontario and Quebec. Apple prices are expected to remain firm throughout the 1952-53 marketing season. The 1952 production of soft tree fruits was larger than in 1951 and is likely to increase again next year as trees continue to recover from the frost damage of 1949-50.

The 1952 potato crop is about 10 million bushels larger than the 48.4 million bushels harvested in 1951. It is likely that prices will continue at levels no higher than those prevailing during the late autumn months of 1952.

Supplies of storage onions and carrots are considerably higher than those of a year ago while stocks of cabbage are approximately the same. No sharp rise in prices of these vegetables is anticipated. However, supplies of celery on November 1, 1952 were considerably lower than one year earlier.

HONEY

The 1952 honey crop of 29.7 million pounds plus stocks at July 1, 1952 of 3.7 million pounds make up a total supply which is six million pounds less than last year's domestic disappearance. Prices are slightly higher than in 1951.

MAPLE PRODUCTS

A continued high level of demand for maple products can be expected in both Canada and the United States. Prices to producers in 1953 probably will be fairly close to those of 1952.

OILSEED CROPS

Domestic supplies of flaxseed, rapeseed and soybeans are larger this year than in 1951-52, while the supplies of sunflower seed are smaller. Substantial quantities of flaxseed and rapeseed will be available for export although these will be partially balanced by imports of soybeans. The downward trend in vegetable oil prices throughout 1951-52 is not expected to continue during 1952-53. Prices of vegetable oilmeal are expected to remain firm although not higher than during 1951-52. These factors indicate that farm prices for oilseeds during 1952-53 may not differ greatly from the prices received during the fall months of 1952.

TOBACCO

Favourable weather conditions in Ontario resulted in exceptionally high yields of all types of tobacco this year. Thus in spite of a 30 per cent reduction in acreage, production was much greater than in 1951. Returns to growers in 1952 are comparable with those of a year ago.

Manufacturers' inventories are now higher than necessary for all domestic and foreign requirements.

Consumer demand for manufactured tobacco products should continue at present or slightly higher levels during the next year. However, export demand has been relatively weak and there is but slight possibility of it strengthening during the coming year.

SEEDS

Production of most forage crop seeds in 1952 was greater than in 1951. Supplies are large enough to meet domestic needs and there will be surplus quantities of some kinds for export. Production of registered and certified seeds of cereals, flax, field corn, field peas, field beans, and soybeans is expected to exceed that of 1951.

The principal export market for most kinds of seeds is again expected to be the United States although the demand for some forage crop seeds may be lower than last year. With the exception of timothy and crested wheat grass, prices of forage crop seeds in 1953 are expected to be somewhat lower than in 1952.

Vegetable and fine grass seeds which are usually imported are available at prices substantially lower than last year.





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